

Agreement" if RA has been obligated for the project.

(iv) The District Office will complete Forms FmHA 1944-52 and FmHA 1944-7 according to the FMI's.

(4) Deferred principal payments may be permitted up to 2 years when determined to be necessary and advisable. Accrued interest must be paid annually when the loan is closed on DIAS; however, smaller than regular payments of principal or no payments of principal may be provided for the first and second installments after loan closing.

(5) The promissory note(s) will be signed in accordance with subpart B of part 1927 of this chapter and any supplemental instructions from OGC.

(6) After loan closing the original note and copies will be distributed according to the FMI. The loan closing information will be transmitted via the field office terminals when the loan is closed with a promissory note.

(7) For a loan to a public body, the forms of obligation will be determined in accordance with exhibit H to this of subpart.

(f) *Recorded mortgage.* When the real estate mortgage is returned by the recording official, the District Director will retain the original in the borrower's case folder. If the original is retained by the recording official for the county records, a conformed copy including the recording data showing the date and place of recordation and book and page number will be prepared and filed in the borrower's case folder. A copy of the mortgage, conformed as to all matters except the recording date, will be delivered to the borrower.

(g) *Date of closing—establishment of account.* (1) An LH loan and/or grant is considered closed when the security instrument is filed of record or, if no security instrument is filed of record, when the loan or grant funds are deposited in the supervised bank account or otherwise made available to the borrower after the borrower executes and delivers the note and any other required instruments.

(2) After the loan and/or grant is closed, the account and case folder will be established in accordance with applicable FmHA or its successor agency under Public Law 103-354 regulations (FmHA Instruction 1905-A which is

available in any FmHA or its successor agency under Public Law 103-354 office and FmHA Instruction 2033-A which is available in the FmHA or its successor agency under Public Law 103-354 State and National Offices.)

[45 FR 47655, July 16, 1980 as amended at 50 FR 8592, Mar. 4, 1985; 51 FR 12308, Apr. 10, 1986; 52 FR 24288, June 30, 1987; 56 FR 67482, Dec. 31, 1991; 57 FR 59904, Dec. 17, 1992; 58 FR 38923, July 21, 1993]

§ 1944.177 Coding loans and grants as to initial or subsequent.

A borrower may obtain financing for more than one project. Each project will be coded as an initial loan or grant when the total number of units are built or purchased at one place at one time. A subsequent loan or grant will be so coded when an additional loan or grant is necessary to complete the units planned with the initial loan or grant. As an example, the borrower may obtain initial loans or grant for more than one project in the same district, in different counties under the same District Office jurisdiction, or in more than one District Office jurisdiction. Codes to be used will be in accordance with the FMI for Forms FmHA 1944-51 and FmHA 1944-57.

[45 FR 47655, July 16, 1980 as amended at 50 FR 8593, Mar. 4, 1985]

§ 1944.178 Complaints regarding discrimination in use and occupancy of Labor housing.

Any tenant or prospective tenant seeking occupancy or use of LH or related facilities who believes he/she has been discriminated against because of age, race, color, religion, sex, marital or familial status, handicap or National origin may file a complaint in person with, or by mail to the Office of Fair Housing and Equal Opportunity, Department of Housing and Urban Development (HUD), Washington, DC, 20410, or any HUD Office, or to the Secretary of Agriculture, Washington, DC. If the complaint is made to an FmHA or its successor agency under Public Law 103-354 county, district or State office, it must be directed to the Director of Equal Opportunity Staff, National Office, by the FmHA or its successor agency under Public Law 103-354 employee in charge of that office.

When a complaint is sent to FmHA or its successor agency under Public Law 103–354-EOS by a county or district office, the State Director will be made aware of the complaint.

(a) Personnel in FmHA or its successor agency under Public Law 103–354 field offices will provide assistance to the aggrieved party when filling out required forms and filing a complaint.

(b) Each complaint must contain the following information:

(1) The name and address of the respondent.

(2) The name and address of the aggrieved person.

(3) A description and the address of the dwelling which is involved, if appropriate.

(4) A concise statement of the facts, including pertinent dates, constituting the alleged discriminatory housing practice.

(c) Participants in FmHA or its successor agency under Public Law 103–354's housing program failing to comply with the requirements of title VIII, as amended of the Civil Rights Act of 1968, and the respective Affirmative Fair Housing Marketing Plan will make themselves liable to sanction authorized by law, regulations, agreements, rules and/or policies governing the program pursuant to which the application was made. All complaints will be handled in accordance with prescribed procedure.

[55 FR 6244, Feb. 22, 1990]

§§ 1944.179–1944.180 [Reserved]

§ 1944.181 Loan servicing.

(a) For general purposes, LH loans and grants will be serviced in accordance with this subpart B of part 1924, subpart C of part 1930, and subpart D of part 1944 of this chapter. Requests for rent increases will be processed in accordance with exhibit C of subpart C of part 1930 of this chapter for nonprofit organizations.

(b) For special servicing of LH loans when the Loan Agreement was waived. There will be many instances where the loan agreement was waived because of a loan agreement waiver provision in this regulation that was in effect for more than 10 years. As a result of regulation change, the State Director shall

notify all LH loan farm borrowers within 180 days of the effective date of this regulation, that such labor housing borrowers will be:

(1) Requested to sign a loan agreement;

(2) Required to report tenant occupancy, at least annually (reference exhibit K-1 of this subpart); and

(3) Provided with exhibit K-1 of this subpart.

(i) The above action need not be completed: If there is existing servicing action where a management agreement exists and such agreement is sufficient to satisfy the notification items, or; If there is a pre-existing loan agreement, and paragraphs (b) (2) and (3) of this section are addressed. If the existing loan agreement does not include annual occupancy reporting, then the borrower must be notified in accordance with paragraphs (b) (2) and (3) of this section.

(ii) [Reserved]

(c) All special servicing needs for LH loans to farm borrowers should be incorporated in a management agreement in addition to a loan agreement. Examples of special servicing needs are: When the housing is temporarily not needed for farm laborers; When rent is being charged; When occupied by ineligible, or; When farmers share housing costs with the borrower in exchange for the occupant(s) labor. The use of a management agreement is not limited to the examples cited. Whenever the management agreement is for a purpose unrelated to agriculture, the farmer should understand that the housing should be returned to the original loan purpose as soon as practical. A final consideration in loan servicing should be to sell the Labor Housing outside of the program when the farmer can no longer use the housing in his farming operation.

[57 FR 59904, Dec. 17, 1992, as amended at 68 FR 61331, Oct. 28, 2003]

§ 1944.182 Rental assistance.

Rental assistance may be provided to eligible tenants in LH projects in accordance with exhibit E of subpart C of part 1930 of this chapter. Income will be verified for LH tenants requesting rental assistance from all easily identifiable sources by using Form FmHA or